



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2012
OF THE CONDITION AND AFFAIRS OF THE

Pro Care Health Plan, Inc.

NAIC Group Code 0000 , 0000 NAIC Company Code 11081 Employer's ID Number 38-3295207
(Current Period) (Prior Period)

Organized under the Laws of Michigan , State of Domicile or Port of Entry Michigan
Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization []
Other [] Is HMO, Federally Qualified? Yes [] No []

Incorporated/Organized 09/29/1995 Commenced Business 12/19/2000

Statutory Home Office 3968 Mount Elliott , Detroit, MI 48207
(Street and Number) (City, State and Zip Code)

Main Administrative Office 3968 Mount Elliott Detroit, MI 48207 313-745-7897
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 3968 Mt. Elliott St. , Detroit, MI 48207
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 3968 Mount Elliott Detroit, MI 48207 313-745-7897
(Street and Number) (City, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.procarehp.com

Statutory Statement Contact Carrie Harris-Muller 313-745-7897
(Name) (Area Code) (Telephone Number) (Extension)
chmuller@dmc.com 313-966-9697
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Carrie Harris-Muller</u>	<u>CEO</u>	<u>Jay Rising</u>	<u>EVP</u>
<u>Michael Pelc</u>	<u>CFO</u>		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

<u>Debbie Larios</u>	<u>Deborah McCormick</u>	<u>Brenda Williams Member</u>	<u>James Spaulding</u>
<u>Claudia Austin Member</u>			

State of Michigan
County of SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Carrie Harris-Muller
CEO

Jay Rising
EVP

Michael Pelc
CFO

a. Is this an original filing? Yes [] No []

b. If no,
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Subscribed and sworn to before me this _____
day of _____

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Pro Care Health Plan, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds			0	0
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$3,490,255), cash equivalents (\$0) and short-term investments (\$481,430)	3,971,685		3,971,685	4,068,500
6. Contract loans (including \$premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,971,685	0	3,971,685	4,068,500
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued			0	0
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	12,515		12,515	22,333
21. Furniture and equipment, including health care delivery assets (\$)	17,766	17,766	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	56,160	56,160	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,058,126	73,926	3,984,200	4,090,833
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	4,058,126	73,926	3,984,200	4,090,833
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid insurance	14,757	14,757	0	0
2502. Prepaid rent	3,000	3,000	0	0
2503. Prepaid other	38,403	38,403	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	56,160	56,160	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	990,805		990,805	1,911,486
2. Accrued medical incentive pool and bonus amounts	8,790		8,790	0
3. Unpaid claims adjustment expenses	19,344		19,344	33,950
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	636,632		636,632	318,743
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
20. Reinsurance in unauthorized companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	1,655,571	0	1,655,571	2,264,179
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	60,000	60,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	2,953,557	2,953,557
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(684,928)	(1,186,903)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26) \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27) \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,328,629	1,826,654
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	3,984,200	4,090,833
DETAILS OF WRITE-INS				
2301. Property tax payable			0	0
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	19,319	16,982	22,832
2. Net premium income (including \$ non-health premium income).....	XXX	6,054,938	5,373,221	7,396,470
3. Change in unearned premium reserves and reserve for rate credits	XXX		0	0
4. Fee-for-service (net of \$ medical expenses)	XXX		0	0
5. Risk revenue	XXX		0	0
6. Aggregate write-ins for other health care related revenues	XXX	51,431	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	6,106,369	5,373,221	7,396,470
Hospital and Medical:				
9. Hospital/medical benefits		2,652,698	2,726,974	3,717,165
10. Other professional services		64,394	11,642	15,964
11. Outside referrals			0	0
12. Emergency room and out-of-area		318,981	231,406	317,296
13. Prescription drugs		424,345	326,041	424,573
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		81,937	0	21,974
16. Subtotal (Lines 9 to 15)	0	3,542,355	3,296,063	4,496,972
Less:				
17. Net reinsurance recoveries			0	0
18. Total hospital and medical (Lines 16 minus 17)	0	3,542,355	3,296,063	4,496,972
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ cost containment expenses.....		9,929	0	0
21. General administrative expenses.....		2,355,355	1,835,475	2,569,713
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22)	0	5,907,639	5,131,538	7,066,685
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	198,730	241,683	329,785
25. Net investment income earned		(8,022)	(4,929)	(2,702)
26. Net realized capital gains (losses) less capital gains tax of \$.....			0	(3,655)
27. Net investment gains (losses) (Lines 25 plus 26)	0	(8,022)	(4,929)	(6,357)
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)			0	0
29. Aggregate write-ins for other income or expenses	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	190,708	236,754	323,428
31. Federal and foreign income taxes incurred	XXX	418,530	91,150	78,987
32. Net income (loss) (Lines 30 minus 31)	XXX	(227,822)	145,604	244,441
DETAILS OF WRITE-INS				
0601. Reinsurance experience refund.....	XXX	51,431	0	0
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	51,431	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Other Income			0	0
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL & SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	1,826,655	2,208,035	2,208,035
34. Net income or (loss) from Line 32.....	(227,822)	145,604	244,441
35. Change in valuation basis of aggregate policy and claim reserves.....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....		0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....		0	0
38. Change in net deferred income tax.....		0	0
39. Change in nonadmitted assets.....	650,808	71,621	(724,730)
40. Change in unauthorized reinsurance.....	0	0	0
41. Change in treasury stock.....		0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....		0	0
44. Capital Changes:			
44.1 Paid in.....		0	0
44.2 Transferred from surplus (Stock Dividend).....		0	0
44.3 Transferred to surplus.....		0	0
45. Surplus adjustments:			
45.1 Paid in.....		0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....		0	0
46. Dividends to stockholders.....		0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	78,988	0	98,909
48. Net change in capital and surplus (Lines 34 to 47).....	501,974	217,225	(381,380)
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,328,629	2,425,260	1,826,655
DETAILS OF WRITE-INS			
4701. Prior period external auditor adjustment (Tax receivable).....	22,302	0	98,909
4702. Prior period external auditor adjustment (Federal taxes).....	56,686	0	0
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	78,988	0	98,909

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	6,054,938	5,373,221	7,396,470
2. Net investment income.....	(8,022)	(4,929)	(2,702)
3. Miscellaneous income.....	51,431	0	0
4. Total (Lines 1 to 3).....	6,098,347	5,368,292	7,393,768
5. Benefit and loss related payments.....	4,454,246	3,192,591	4,434,715
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,118,157	1,835,475	2,752,162
8. Dividends paid to policyholders.....		0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	418,530	91,150	78,987
10. Total (Lines 5 through 9).....	6,990,933	5,119,216	7,265,864
11. Net cash from operations (Line 4 minus Line 10).....	(892,586)	249,076	127,904
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	0	0	0
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	15,024	(1,482)	(1,470)
12.7 Miscellaneous proceeds.....	0	1,482	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	15,024	0	(1,470)
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	0	0	0
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	15,024	0	2,185
13.7 Total investments acquired (Lines 13.1 to 13.6).....	15,024	0	2,185
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	0	0	(3,655)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	795,770	(52,381)	(556,667)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	795,770	(52,381)	(556,667)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(96,816)	196,695	(432,418)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	4,068,501	4,500,919	4,500,919
19.2 End of period (Line 18 plus Line 19.1).....	3,971,685	4,697,614	4,068,501

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Pro Care Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	1,946	.0	.0	.0	.0	.0	.0	.0	1,946	.0
2. First Quarter	2,147	.0	.0	.0	.0	.0	.0	.0	2,147	.0
3. Second Quarter	2,141	.0	.0	.0	.0	.0	.0	.0	2,141	.0
4. Third Quarter	2,189								2,189	
5. Current Year .....	.0									
6. Current Year Member Months	19,319								19,319	
Total Member Ambulatory Encounters for Period:										
7. Physician	5,940								5,940	
8. Non-Physician	4,822								4,822	
9. Total	10,762	.0	.0	.0	.0	.0	.0	.0	10,762	.0
10. Hospital Patient Days Incurred .....	.578								.578	
11. Number of Inpatient Admissions .....	.157								.157	
12. Health Premiums Written(a)	6,212,850								6,212,850	
13. Life Premiums Direct .....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned	6,212,850								6,212,850	
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services	4,454,246								4,454,246	
18. Amount Incurred for Provision of Health Care Services	3,542,355								3,542,355	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE Pro Care Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....					.0	.0
2. Medicare Supplement .....					.0	.0
3. Dental only .....					.0	.0
4. Vision only .....					.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid	869,680	3,511,419	261,140	729,665	1,130,820	1,911,486
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	869,680	3,511,419	261,140	729,665	1,130,820	1,911,486
10. Healthcare receivables (a) .....					.0	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts	29,904	43,243		8,790	29,904	.0
13. Totals (Lines 9-10+11+12)	899,584	3,554,662	261,140	738,455	1,160,724	1,911,486

(a) Excludes \$ loans or advances to providers not yet expensed.

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NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**

A. Accounting Practices

The financial statements of ProCare Health Plan, Inc. have been prepared in accordance with the NAIC Accounting Practices and Procedures manual and the statutory accounting principles as prescribed by Section 1007 of the Michigan statutes.

Statutory accounting principles differ from generally accepted accounting principle ("GAAP") in their definition of assets and liabilities. Specifically, certain assets are excluded from the statutory basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$724,730 at December 31, 2011.

B. Use of Estimates

No Change

C. Accounting Policy

No Change

2. **Accounting Changes and Correction of Errors**

No change

3. **Business Combinations and Goodwill**

Not applicable

4. **Discontinued Operations**

Not applicable

5. **Investments**

No Change

6. **Joint Ventures, Partnerships and Limited Liability Companies**

None

7. **Investment Income**

The Company has no investment income due and accrued over 90 days past due.

8. **Derivative Instruments**

None

9. **Income Taxes**

NOTES TO FINANCIAL STATEMENTS

Estimated federal income tax liability is \$396,228 for the nine months ended.

10. **Information Concerning Parent, Subsidiaries and Affiliates**

Not applicable

11. **Debt**

None

12. **Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post Retirement Benefit Plans**

No change

13. **Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations**

No change

14. **Contingencies**

None

15. **Leases**

No change

16. **Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

Not applicable

17. **Sales, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

Not applicable

18. **Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

Not applicable

19. **Direct Premium Written/Produced by Managing General Agents/ Third Party Administrators**

NOTES TO FINANCIAL STATEMENTS

Not applicable

20. Fair Value Measurements

Assets measured at Fair Value on a recurring basis at September 30, 2012

<u>Description for Each Class Asset or Liability</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
A. Debt Securities Money Market	<u>\$ 481,430</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 481,430</u>

B. No assets and liabilities measured on a nonrecurring basis.

C. Not applicable

D. Not applicable

21. Other Items

None

22. Events Subsequent

On October 22, 2012, Vanguard Health Systems, acquired ProCare Health Plan through a stock sale. Effectively the morning October 23, 2012, Vanguard Health Systems began actively managing and directing the operations of ProCare Health Plan.

23. Reinsurance

No change

24. Retrospectively Rated Contracts & Contracts Subject to Re-determination

Not applicable

25. Change in Incurred Claims and Claim Adjustment Expenses

IBNR reserves as of December 31, 2011 were \$1,911,486. As of September 30, 2012, \$716,258 has been paid for incurred claims attributable to insured events of prior years. IBNR reserves remaining for prior years are now \$990,805 as a result of re-estimation of unpaid claims. Therefore, there has been a \$920,681 favorable prior-year development since December 31, 2011 to September 30, 2012. The increase is generally the result of ongoing analysis of recent loss development trends and the Company recording its estimate based on the actuarial report. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

In addition, the Company recognized claim adjustment expense of \$9,929 as of September 30, 2012

26. Inter-Company Pooling Arrangement

NOTES TO FINANCIAL STATEMENTS

Not applicable

27. **Structured Settlements**

Not applicable

28. **Health Care Receivable**

None

29. **Participating Policies**

Not applicable.

30. **Premium Deficiency Reserves**

Not applicable.

31. **Anticipated Salvage and Subrogation**

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/16/2010
- 6.4 By what department or departments?
Office of Financial Insurance regulations.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] NA []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
.....
- 9.2 Has the code of ethics for senior managers been amended?..... Yes No
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
.....
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes No
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
.....

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 11.2 If yes, give full and complete information relating thereto:
.....
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$
13. Amount of real estate and mortgages held in short-term investments: \$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No
- 14.2 If yes, please complete the following:
- | | 1 | | 2 | |
|---|---|--|--|--|
| | Prior Year-End
Book/Adjusted
Carrying Value | | Current Quarter
Book/Adjusted
Carrying Value | |
| 14.21 Bonds | \$ | | \$ | |
| 14.22 Preferred Stock | \$ | | \$ | |
| 14.23 Common Stock | \$ | | \$ | |
| 14.24 Short-Term Investments | \$ | | \$ | |
| 14.25 Mortgage Loans on Real Estate | \$ | | \$ | |
| 14.26 All Other | \$ | | \$ | |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal
Lines 14.21 to 14.26)..... | \$0 | | \$0 | |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$ | | \$ | |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No
If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Comerica Bank, Trust Division.....	411 West Lafayette, Detroit, MI. 48226.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES
PART 2 - HEALTH

1.

1
Amount

1. Operating Percentages:

1.1 A&H loss percent.....	58.5%
1.2 A&H cost containment percent.....	0.0%
1.3 A&H expense percent excluding cost containment expenses.....	%

2.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

2.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....

2.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

2.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL								0	
2. Alaska	AK								0	
3. Arizona	AZ								0	
4. Arkansas	AR								0	
5. California	CA								0	
6. Colorado	CO								0	
7. Connecticut	CT								0	
8. Delaware	DE								0	
9. Dist. Columbia	DC								0	
10. Florida	FL								0	
11. Georgia	GA								0	
12. Hawaii	HI								0	
13. Idaho	ID								0	
14. Illinois	IL								0	
15. Indiana	IN								0	
16. Iowa	IA								0	
17. Kansas	KS								0	
18. Kentucky	KY								0	
19. Louisiana	LA								0	
20. Maine	ME								0	
21. Maryland	MD								0	
22. Massachusetts	MA								0	
23. Michigan	MI	L		6,212,850					6,212,850	
24. Minnesota	MN								0	
25. Mississippi	MS								0	
26. Missouri	MO								0	
27. Montana	MT								0	
28. Nebraska	NE								0	
29. Nevada	NV								0	
30. New Hampshire	NH								0	
31. New Jersey	NJ								0	
32. New Mexico	NM								0	
33. New York	NY								0	
34. North Carolina	NC								0	
35. North Dakota	ND								0	
36. Ohio	OH								0	
37. Oklahoma	OK								0	
38. Oregon	OR								0	
39. Pennsylvania	PA								0	
40. Rhode Island	RI								0	
41. South Carolina	SC								0	
42. South Dakota	SD								0	
43. Tennessee	TN								0	
44. Texas	TX								0	
45. Utah	UT								0	
46. Vermont	VT								0	
47. Virginia	VA								0	
48. Washington	WA								0	
49. West Virginia	WV								0	
50. Wisconsin	WI								0	
51. Wyoming	WY								0	
52. American Samoa	AS								0	
53. Guam	GU								0	
54. Puerto Rico	PR								0	
55. U.S. Virgin Islands	VI								0	
56. Northern Mariana Islands	MP								0	
57. Canada	CN								0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	0	6,212,850	0	0	0	6,212,850	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	(a) 1	0	0	6,212,850	0	0	0	6,212,850	0	0
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

(L) Licensed or Chartered – Licensed Insurance Carrier or Domiciled RRG; (R) Registered – Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible – Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above – Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and other Alien.

The company only has business in the State of Michigan.

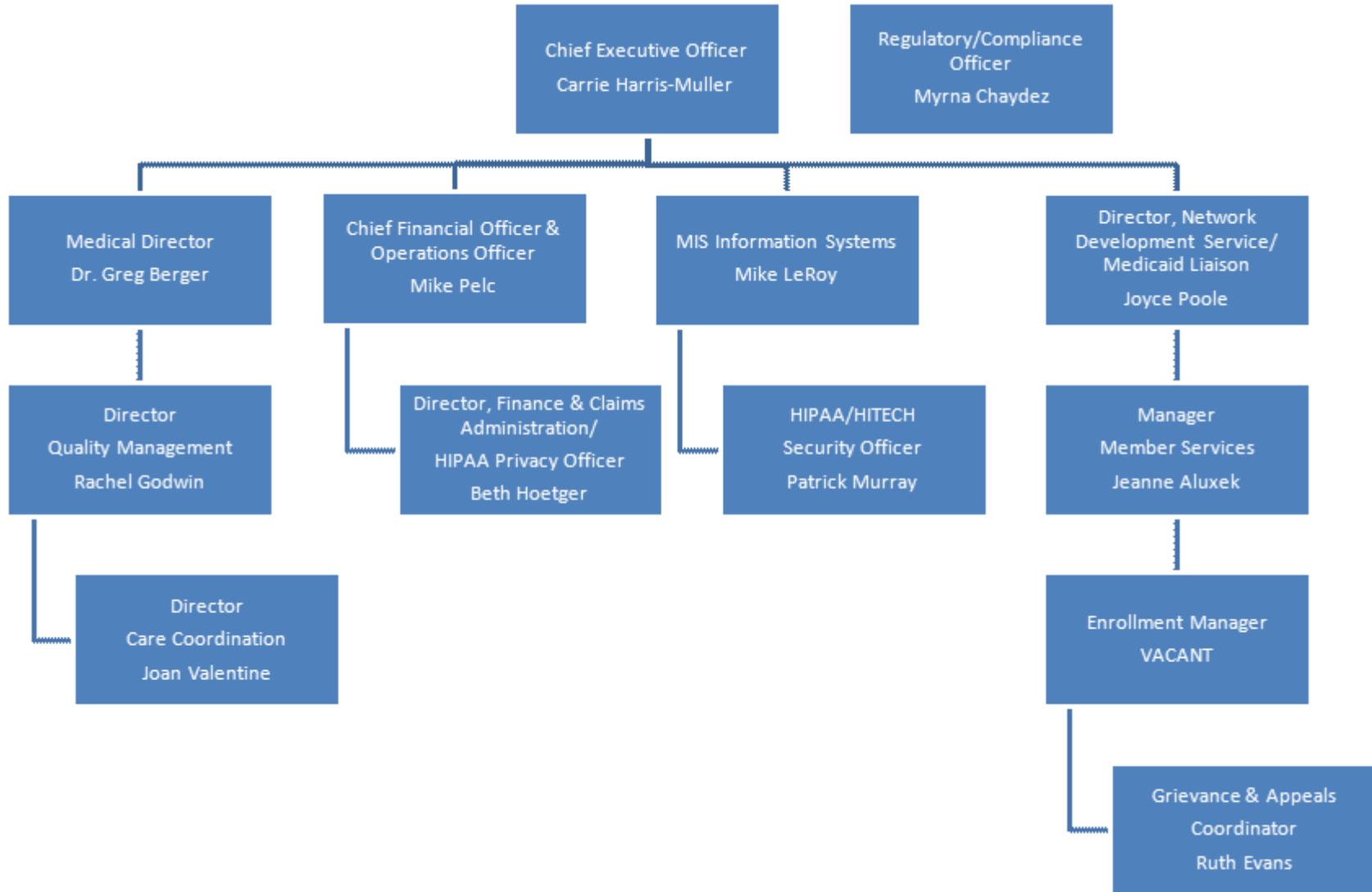
**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A
HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



ProCare Health Plan
Effective Date: 10/23/12

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



15.1

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

Explanation:

1.

Bar Code:

1. 
1 1 0 8 1 2 0 1 2 3 6 5 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

Schedule A - Verification

NONE

Schedule B - Verification

NONE

Schedule BA - Verification

NONE

Schedule D - Verification

NONE

Schedule D - Part 1B

NONE

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	481,430	XXX	481,430	20	20

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	466,406	467,876
2. Cost of short-term investments acquired		0
3. Accrual of discount.....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....	15,024	(1,470)
6. Deduct consideration received on disposals.....		0
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	481,430	466,406
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	481,430	466,406

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B- Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

NONE

Schedule DB - Part B - Section 1

NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

Schedule E - Part 2 - Cash Equivalents

NONE